

Appendix 3G

Notification of issue, conversion or payment up of equity +securities

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

If you are an entity incorporated outside Australia and you are issuing a new class of +securities other than CDIs, you will need to obtain and provide an International Securities Identification Number (ISIN) for that class. Further information on the requirement for the notification of an ISIN is available from the Create Online Forms page. ASX is unable to create the new ISIN for non-Australian issuers.

*Denotes minimum information required for first lodgement of this form, with exceptions provided in specific notes for certain questions. The balance of the information, where applicable, must be provided as soon as reasonably practicable by the entity.

Part 1 – Entity and announcement details

Question no	Question	Answer
1.1	*Name of entity <i>We (the entity here named) give notice of the issue, conversion or payment up of the following unquoted +securities.</i>	PNX METALS LIMITED
1.2	*Registration type and number <i>Please supply your ABN, ARSN, ARBN, ACN or another registration type and number (if you supply another registration type, please specify both the type of registration and the registration number).</i>	ABN 67 127 446 271
1.3	*ASX issuer code	PNX
1.4	*This announcement is <i>Tick whichever is applicable.</i>	<input checked="" type="checkbox"/> A new announcement <input type="checkbox"/> An update/amendment to a previous announcement <input type="checkbox"/> A cancellation of a previous announcement
1.4a	*Reason for update <i>Mandatory only if "Update" ticked in Q1.4 above. A reason must be provided for an update.</i>	N/A
1.4b	*Date of previous announcement to this update <i>Mandatory only if "Update" ticked in Q1.4 above.</i>	N/A
1.4c	*Reason for cancellation <i>Mandatory only if "Cancellation" ticked in Q1.4 above.</i>	N/A
1.4d	*Date of previous announcement to this cancellation <i>Mandatory only if "Cancellation" ticked in Q1.4 above.</i>	N/A
1.5	*Date of this announcement	2 February 2021

Part 2 – Type of issue

Question No.	Question	Answer
2.1	<p>*The +securities the subject of this notification are: <i>Select whichever item is applicable.</i> <i>If you wish to notify ASX of different types of issues of securities, please complete a separate Appendix 3G for each type of issue.</i></p>	<p><input type="checkbox"/> +Securities issued as a result of options being exercised or other +convertible +securities being converted and that are not to be quoted on ASX</p> <p><input type="checkbox"/> Partly paid +securities that have been fully paid up and that are not to be quoted on ASX</p> <p><input checked="" type="checkbox"/> +Securities issued under an +employee incentive scheme that are not being immediately quoted on ASX</p> <p><input type="checkbox"/> Other [please specify] <i>If you have selected 'other' please provide the circumstances of the issue here:</i></p>
2.2a.1	<p>Please state the number and type of options that were exercised or other +convertible securities that were converted (including their ASX security code if available)? <i>Answer this question if your response to Q2.1 is "securities issued as a result of options being exercised or other convertible securities being converted and that are not to be quoted on ASX".</i></p>	N/A
2.2a.2	<p>And the date the options were exercised or other +convertible securities were converted: <i>Answer this question if your response to Q2.1 is "securities issued as a result of options being exercised or other convertible securities being converted and that are not to be quoted on ASX".</i> <i>Note: If this occurred over a range of dates, enter the date the last of the options was exercised or convertible securities was converted.</i></p>	N/A
2.2b.1	<p>Please state the number and type of partly paid +securities that were fully paid up (including their ASX security code if available)? <i>Answer this question if your response to Q2.1 is "partly paid securities that have been paid up and that are not to be quoted on ASX".</i></p>	N/A
2.2b.2	<p>And the date the +securities were fully paid up: <i>Answer this question if your response to Q2.1 is "partly paid securities that have been paid up and that are not to be quoted on ASX".</i> <i>Note: If this occurred over a range of dates, enter the date the last of the securities was fully paid up.</i></p>	N/A

2.2c.1	<p>Please state the number and type of +securities (including their ASX security code) issued under an +employee incentive scheme that are not being immediately quoted on ASX</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i></p>	53,500,000 – PNAAA Unquoted Performance Rights under the PNX Metals Limited Employee Performance Rights Plan.						
2.2c.2	<p>*Please attach a document or provide details of a URL link for a document lodged with ASX detailing the terms of the +employee incentive scheme or a summary of the terms.</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i></p>	See attached a copy of the PNX Metals Limited Employee Performance Rights Plan approved by shareholders at the Annual General Meeting held on 23 October 2019.						
2.2c.3	<p>*Are any of these +securities being issued to +key management personnel (KMP) or an +associate</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i></p>	Yes - Approved by shareholders at the Company's Annual General Meeting held on 28 October 2020.						
2.2c.3.a	<p>*Provide details of the recipients and the number of +securities issued to each of them.</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX" and your response to Q2.2c.3 is "Yes". Repeat the detail in the table below for each KMP involved in the issue. If the securities are being issued to the KMP, repeat the name of the KMP or insert "Same" in "Name of registered holder". If the securities are being issued to an associate of a KMP, insert the name of the associate in "Name of registered holder".</i></p> <table border="1" data-bbox="338 1173 1364 1272"> <thead> <tr> <th data-bbox="338 1173 678 1223">Name of KMP</th> <th data-bbox="678 1173 1050 1223">Name of registered holder</th> <th data-bbox="1050 1173 1364 1223">Number of +securities</th> </tr> </thead> <tbody> <tr> <td data-bbox="338 1223 678 1272">James Fox</td> <td data-bbox="678 1223 1050 1272">James Fox</td> <td data-bbox="1050 1223 1364 1272">25,000,000</td> </tr> </tbody> </table>		Name of KMP	Name of registered holder	Number of +securities	James Fox	James Fox	25,000,000
Name of KMP	Name of registered holder	Number of +securities						
James Fox	James Fox	25,000,000						
2.2d.1	<p>*The purpose(s) for which the entity is issuing the +securities is:</p> <p><i>Answer this question if your response to Q2.1 is "Other".</i></p> <p><i>You may select one or more of the items in the list.</i></p>	<p><input type="checkbox"/> To raise additional working capital</p> <p><input type="checkbox"/> To fund the retirement of debt</p> <p><input type="checkbox"/> To pay for the acquisition of an asset [provide details below]</p> <p><input type="checkbox"/> To pay for services rendered [provide details below]</p> <p><input type="checkbox"/> Other [provide details below]</p> <p><i>Additional details:</i> N/A</p>						
2.2d.2	<p>Please provide any further information needed to understand the circumstances in which you are notifying the issue of these +securities to ASX, including (if applicable) why the issue of the +securities has not been previously announced to the market in an Appendix 3B</p> <p><i>You must answer this question if your response to Q2.1 is "Other". If there is no other information to provide, please answer "Not applicable" or "N/A".</i></p>	N/A						

2.3	<p>*The +securities being issued are: <i>Tick whichever is applicable</i></p>	<input checked="" type="checkbox"/> Additional +securities in an existing unquoted class that is already recorded by ASX ("existing class") <input type="checkbox"/> New +securities in an unquoted class that is not yet recorded by ASX ("new class")
-----	---	--

Part 3A – number and type of +securities being issued (existing class)

Answer the questions in this part if your response to Q2.3 is "existing class".

Question No.	Question	Answer
3A.1	*ASX security code & description	PNXAA – Unquoted Performance Rights
3A.2	*Number of +securities being issued	53,500,000
3A.3a	*Will the +securities being issued rank equally in all respects from their issue date with the existing issued +securities in that class?	Yes
3A.3b	*Is the actual date from which the +securities will rank equally (non-ranking end date) known? <i>Answer this question if your response to Q3A.3a is "No".</i>	N/A
3A.3c	*Provide the actual non-ranking end date <i>Answer this question if your response to Q3A.3a is "No" and your response to Q3A.3b is "Yes".</i>	N/A
3A.3d	*Provide the estimated non-ranking end period <i>Answer this question if your response to Q3A.3a is "No" and your response to Q3A.3b is "No".</i>	N/A
3A.3e	*Please state the extent to which the +securities do not rank equally: <ul style="list-style-type: none"> • in relation to the next dividend, distribution or interest payment; or • for any other reason <i>Answer this question if your response to Q3A.3a is "No".</i> <i>For example, the securities may not rank at all, or may rank proportionately based on the percentage of the period in question they have been on issue, for the next dividend, distribution or interest payment; or they may not be entitled to participate in some other event, such as an entitlement issue.</i>	N/A

Part 3B – number and type of +securities being issued (new class)

Answer the questions in this part if your response to Q2.3 is "new class".

Question No.	Question	Answer
3B.1	*Security description	N/A

3B.2	<p>*Security type</p> <p><i>Select one item from the list that best describes the securities the subject of this form. This will determine more detailed questions to be asked about the security later in this section. Select "ordinary fully or partly paid shares/units" for stapled securities or CDIs. For interest rate securities, please select the appropriate choice from either "Convertible debt securities" or "Non-convertible debt securities". Select "Other" for performance shares/units and performance options/rights or if the selections available in the list do not appropriately describe the security being issued.</i></p>	<input type="checkbox"/> Ordinary fully or partly paid shares/units <input type="checkbox"/> Options <input type="checkbox"/> +Convertible debt securities <input type="checkbox"/> Non-convertible +debt securities <input type="checkbox"/> Redeemable preference shares/units <input type="checkbox"/> Other N/A
3B.3	<p>ISIN code</p> <p><i>Answer this question if you are an entity incorporated outside Australia and you are issuing a new class of securities other than CDIs. See also the note at the top of this form.</i></p>	N/A
3B.4	<p>*Number of +securities being issued</p>	N/A
3B.5a	<p>*Will all the +securities issued in this class rank equally in all respects from the issue date?</p>	N/A
3B.5b	<p>*Is the actual date from which the +securities will rank equally (non-ranking end date) known?</p> <p><i>Answer this question if your response to Q3B.5a is "No".</i></p>	N/A
3B.5c	<p>*Provide the actual non-ranking end date</p> <p><i>Answer this question if your response to Q3B.5a is "No" and your response to Q3B.5b is "Yes".</i></p>	N/A
3B.5d	<p>*Provide the estimated non-ranking end period</p> <p><i>Answer this question if your response to Q3B.5a is "No" and your response to Q3B.5b is "No".</i></p>	N/A
3B.5e	<p>*Please state the extent to which the +securities do not rank equally:</p> <ul style="list-style-type: none"> • in relation to the next dividend, distribution or interest payment; or • for any other reason <p><i>Answer this question if your response to Q3B.5a is "No".</i></p> <p><i>For example, the securities may not rank at all, or may rank proportionately based on the percentage of the period in question they have been on issue, for the next dividend, distribution or interest payment; or they may not be entitled to participate in some other event, such as an entitlement issue.</i></p>	N/A
3B.6	<p>Please attach a document or provide a URL link for a document lodged with ASX setting out the material terms of the +securities being issued</p> <p><i>You may cross reference a disclosure document, PDS, information memorandum, investor presentation or other announcement with this information provided it has been released to the ASX Market Announcements Platform.</i></p>	N/A

3B.7	<p>*Have you received confirmation from ASX that the terms of the +securities are appropriate and equitable under listing rule 6.1?</p> <p><i>Answer this question only if you are an ASX Listing. (ASX Foreign Exempt Listings and ASX Debt Listings do not have to answer this question).</i></p> <p><i>If your response is "No" and the securities have any unusual terms, you should approach ASX as soon as possible for confirmation under listing rule 6.1 that the terms are appropriate and equitable.</i></p>	N/A
3B.8a	<p>Ordinary fully or partly paid shares/units details</p> <p><i>Answer the questions in this section if you selected this security type in your response to Question 3B.2.</i></p>	
	<p>*+Security currency</p> <p><i>This is the currency in which the face amount of an issue is denominated. It will also typically be the currency in which distributions are declared.</i></p>	N/A
	<p>*Will there be CDIs issued over the +securities?</p>	N/A
	<p>*CDI ratio</p> <p><i>Answer this question if you answered "Yes" to the previous question. This is the ratio at which CDIs can be transmuted into the underlying security (e.g. 4:1 means 4 CDIs represent 1 underlying security whereas 1:4 means 1 CDI represents 4 underlying securities).</i></p>	N/A
	<p>*Is it a partly paid class of +security?</p>	N/A
	<p>*Paid up amount: unpaid amount</p> <p><i>Answer this question if answered "Yes" to the previous question.</i></p> <p><i>The paid up amount represents the amount of application money and/or calls which have been paid on any security considered 'partly paid'</i></p> <p><i>The unpaid amount represents the unpaid or yet to be called amount on any security considered 'partly paid'.</i></p> <p><i>The amounts should be provided per the security currency (e.g. if the security currency is AUD, then the paid up and unpaid amount per security in AUD).</i></p>	N/A
	<p>*Is it a stapled +security?</p> <p><i>This is a security class that comprises a number of ordinary shares and/or ordinary units issued by separate entities that are stapled together for the purposes of trading.</i></p>	N/A
3B.8b	<p>Option details</p> <p><i>Answer the questions in this section if you selected this security type in your response to Question 3B.2.</i></p>	
	<p>*+Security currency</p> <p><i>This is the currency in which the exercise price is payable.</i></p>	N/A
	<p>*Exercise price</p> <p><i>The price at which each option can be exercised and convert into the underlying security. If there is no exercise price please answer as \$0.00.</i></p> <p><i>The exercise price should be provided per the security currency (i.e. if the security currency is AUD, the exercise price should be expressed in AUD).</i></p>	N/A
	<p>*Expiry date</p> <p><i>The date on which the options expire or terminate.</i></p>	N/A

	<p>*Details of the number and type of +security (including its ASX security code if the +security is quoted on or recorded by ASX) that will be issued if an option is exercised</p> <p><i>For example, if the option can be exercised to receive one fully paid ordinary share with ASX security code ABC, please insert "One fully paid ordinary share (ASX:ABC)".</i></p>	N/A
3B.8c	<p>Details of non-convertible +debt securities, +convertible debt securities, or redeemable preference shares/units</p> <p><i>Answer the questions in this section if you selected one of these security types in your response to Question 3B.2.</i></p> <p><i>Refer to Guidance Note 34 and the "Guide to the Naming Conventions and Security Descriptions for ASX Quoted Debt and Hybrid Securities" for further information on certain terms used in this section</i></p>	
	<p>*Type of +security</p> <p><i>Select one item from the list</i></p>	<p><input type="checkbox"/> Simple corporate bond</p> <p><input type="checkbox"/> Non-convertible note or bond</p> <p><input type="checkbox"/> Convertible note or bond</p> <p><input type="checkbox"/> Preference share/unit</p> <p><input type="checkbox"/> Capital note</p> <p><input type="checkbox"/> Hybrid security</p> <p><input type="checkbox"/> Other</p>
	<p>*+Security currency</p> <p><i>This is the currency in which the face value of the security is denominated. It will also typically be the currency in which interest or distributions are paid.</i></p>	N/A
	<p>Face value</p> <p><i>This is the principal amount of each security.</i></p> <p><i>The face value should be provided per the security currency (i.e. if security currency is AUD, then the face value per security in AUD).</i></p>	N/A
	<p>*Interest rate type</p> <p><i>Select one item from the list</i></p> <p><i>Select the appropriate interest rate type per the terms of the security. Definitions for each type are provided in the Guide to the Naming Conventions and Security Descriptions for ASX Quoted Debt and Hybrid Securities</i></p>	<p><input type="checkbox"/> Fixed rate</p> <p><input type="checkbox"/> Floating rate</p> <p><input type="checkbox"/> Indexed rate</p> <p><input type="checkbox"/> Variable rate</p> <p><input type="checkbox"/> Zero coupon/no interest</p> <p><input type="checkbox"/> Other</p>
	<p>Frequency of coupon/interest payments per year</p> <p><i>Select one item from the list.</i></p>	<p><input type="checkbox"/> Monthly</p> <p><input type="checkbox"/> Quarterly</p> <p><input type="checkbox"/> Semi-annual</p> <p><input type="checkbox"/> Annual</p> <p><input type="checkbox"/> No coupon/interest payments</p> <p><input type="checkbox"/> Other</p>
	<p>First interest payment date</p> <p><i>A response is not required if you have selected "No coupon/interest payments" in response to the question above on the frequency of coupon/interest payments</i></p>	<input type="text" value="N/A"/>
	<p>Interest rate per annum</p> <p><i>Answer this question if the interest rate type is fixed.</i></p>	N/A

	<p>*Is the interest rate per annum estimated at this time? <i>Answer this question if the interest rate type is fixed.</i></p>	N/A
	<p>If the interest rate per annum is estimated, then what is the date for this information to be announced to the market (if known) <i>Answer this question if the interest rate type is fixed and your response to the previous question is "Yes". Answer "Unknown" if the date is not known at this time.</i></p>	N/A
	<p>*Does the interest rate include a reference rate, base rate or market rate (e.g. BBSW or CPI)? <i>Answer this question if the interest rate type is floating or indexed</i></p>	N/A
	<p>*What is the reference rate, base rate or market rate? <i>Answer this question if the interest rate type is floating or indexed and your response to the previous question is "Yes".</i></p>	N/A
	<p>*Does the interest rate include a margin above the reference rate, base rate or market rate? <i>Answer this question if the interest rate type is floating or indexed.</i></p>	Yes or No
	<p>*What is the margin above the reference rate, base rate or market rate (expressed as a percent per annum) <i>Answer this question if the interest rate type is floating or indexed and your response to the previous question is "Yes".</i></p>	N/A
	<p>*S128F of the Income Tax Assessment Act status applicable to the +security <i>Select one item from the list</i> <i>For financial products which are likely to give rise to a payment to which s128F of the Income Tax Assessment Act applies, ASX requests issuers to confirm the s128F status of the security:</i></p> <ul style="list-style-type: none"> • "s128F exempt" means interest payments are not taxable to non-residents; • "Not s128F exempt" means interest payments are taxable to non-residents; • "s128F exemption status unknown" means the issuer is unable to advise the status; • "Not applicable" means s128F is not applicable to this security 	<input type="checkbox"/> s128F exempt <input type="checkbox"/> Not s128F exempt <input type="checkbox"/> s128F exemption status unknown <input checked="" type="checkbox"/> Not applicable
	<p>*Is the +security perpetual (i.e. no maturity date)?</p>	N/A
	<p>*Maturity date <i>Answer this question if the security is not perpetual</i></p>	N/A

	<p>*Select other features applicable to the +security</p> <p><i>Up to 4 features can be selected. Further information is available in the Guide to the Naming Conventions and Security Descriptions for ASX Quoted Debt and Hybrid Securities.</i></p>	<input type="checkbox"/> Simple <input type="checkbox"/> Subordinated <input type="checkbox"/> Secured <input type="checkbox"/> Converting <input type="checkbox"/> Convertible <input type="checkbox"/> Transformable <input type="checkbox"/> Exchangeable <input type="checkbox"/> Cumulative <input type="checkbox"/> Non-Cumulative <input type="checkbox"/> Redeemable <input type="checkbox"/> Extendable <input type="checkbox"/> Reset <input type="checkbox"/> Step-Down <input type="checkbox"/> Step-Up <input type="checkbox"/> Staped <input type="checkbox"/> None of the above
	<p>*Is there a first trigger date on which a right of conversion, redemption, call or put can be exercised (whichever is first)?</p>	N/A
	<p>*If yes, what is the first trigger date</p> <p><i>Answer this question if your response to the previous question is "Yes".</i></p>	N/A
	<p>Details of the number and type of +security (including its ASX security code if the +security is quoted on ASX) that will be issued if the securities to be quoted are converted, transformed or exchanged</p> <p><i>Answer this question if the security features include "converting", "convertible", "transformable" or "exchangeable".</i></p> <p><i>For example, if the security can be converted into 1,000 fully paid ordinary shares with ASX security code ABC, please insert "1,000 fully paid ordinary shares (ASX:ABC)".</i></p>	N/A

Part 4 – Issue details

Question No.	Question	Answer
4.1	*Have the +securities been issued yet?	Yes
4.1a	*What was their date of issue? <i>Answer this question if your response to Q4.1 is "Yes".</i>	1) 25,000,000 Performance Rights granted on 27 January 2021. 2) 28,500,000 Performance Rights granted on 1 February 2021
4.1b	*What is their proposed date of issue? <i>Answer this question if your response to Q4.1 is "No".</i>	N/A
4.2	*Are the +securities being issued for a cash consideration? <i>If the securities are being issued for nil cash consideration, answer this question "No".</i>	No

4.2a	<p>*In what currency is the cash consideration being paid</p> <p><i>For example, if the consideration is being paid in Australian Dollars, state AUD.</i></p> <p><i>Answer this question if your response to Q4.2 is "Yes".</i></p>	N/A
4.2b	<p>*What is the issue price per +security</p> <p><i>Answer this question if your response to Q4.2 is "Yes" and by reference to the issue currency provided in your response to Q4.2a.</i></p> <p><i>Note: you cannot enter a nil amount here. If the securities are being issued for nil cash consideration, answer Q4.2 as "No" and complete Q4.2c.</i></p>	N/A
4.2c	<p>Please describe the consideration being provided for the +securities</p> <p><i>Answer this question if your response to Q4.2 is "No".</i></p>	<p>The Performance Rights have been granted to certain executives, personnel and contractors under the Company's Employee Performance Rights Plan.</p> <p>The Performance Rights granted are subject to certain conditions including the continued employment of the participants with the Company and performance hurdles set out in the terms of the grant.</p> <p>All Performance rights have a nil exercise price.</p> <p>Upon vesting the Performance Rights may be converted into fully paid Ordinary Shares in the capital of the Company in accordance with the terms of the grant.</p>
4.3	Any other information the entity wishes to provide about the issue	N/A

Part 5 – Unquoted +securities on issue

<p>Following the issue of the +securities the subject of this application, the unquoted issued +securities of the entity will comprise:</p> <p><i>Note: the figures provided in the table in section 5.1 below are used to calculate part of the total market capitalisation of the entity published by ASX from time to time. Please make sure you include in the table each class of unquoted securities issued by the entity.</i></p> <p><i>Restricted securities should be included in table 5.1.</i></p>							
5.1	<table border="1"> <thead> <tr> <th data-bbox="336 1514 948 1559">*ASX security code and description</th> <th data-bbox="948 1514 1412 1559">*Total number of +securities on issue</th> </tr> </thead> <tbody> <tr> <td data-bbox="336 1559 948 1626">PNXAA – Unquoted Performance Rights</td> <td data-bbox="948 1559 1412 1626">64,300,000</td> </tr> <tr> <td data-bbox="336 1626 948 1783">PNXAC – Unquoted Options @ \$0.01464 Expiring 30/09/2021</td> <td data-bbox="948 1626 1412 1783">359,125,000</td> </tr> </tbody> </table>	*ASX security code and description	*Total number of +securities on issue	PNXAA – Unquoted Performance Rights	64,300,000	PNXAC – Unquoted Options @ \$0.01464 Expiring 30/09/2021	359,125,000
*ASX security code and description	*Total number of +securities on issue						
PNXAA – Unquoted Performance Rights	64,300,000						
PNXAC – Unquoted Options @ \$0.01464 Expiring 30/09/2021	359,125,000						

Part 6 – Other Listing Rule requirements

The questions in this Part should only be answered if you are an ASX Listing (ASX Foreign Exempt Listings and ASX Debt Listings do not need to complete this Part) and:

- your response to Q2.1 is "+securities issued under an +employee incentive scheme that are not being immediately quoted on ASX"; or
- your response to Q2.1 is "Other"

Question No.	Question	Answer
6.1	<p>*Are the securities being issued under Listing Rule 7.2 exception 13¹ and therefore the issue does not need any security holder approval under Listing Rule 7.1?</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i></p>	Yes, the Performance Rights have been granted under the PNX Metals Limited Employee Performance Rights Plan approved by shareholders at the Annual General Meeting held on 23 October 2019.
6.2	<p>*Has the entity obtained, or is it obtaining, +security holder approval for the issue under listing rule 7.1?</p> <p><i>Answer this question if the response to Q6.1 is "No".</i></p>	N/A
6.2a	<p>*Date of meeting or proposed meeting to approve the issue under listing rule 7.1</p> <p><i>Answer this question if the response to Q6.1 is "No" and the response to Q6.2 is "Yes".</i></p>	N/A
6.2b	<p>*Are any of the +securities being issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?</p> <p><i>Answer this question if the response to Q6.1 is "No" and the response to Q6.2 is "No".</i></p>	N/A

¹ Exception 13

An issue of securities under an employee incentive scheme if within 3 years before the issue date:

- (a) in the case of a scheme established before the entity was listed – a summary of the terms of the scheme and the maximum number of equity securities proposed to be issued under the scheme were set out in the prospectus, PDS or information memorandum lodged with ASX under rule 1.1 condition 3; or
- (b) the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as an exception to this rule. The notice of meeting must have included:
 - a summary of the terms of the scheme.
 - the number of securities issued under the scheme since the entity was listed or the date of the last approval under this rule;
 - the maximum number of +equity securities proposed to be issued under the scheme following the approval; and
 - a voting exclusion statement.

Exception 13 is only available if and to the extent that the number of +equity securities issued under the scheme does not exceed the maximum number set out in the entity's prospectus, PDS or information memorandum (in the case of (a) above) or in the notice of meeting (in the case of (b) above).

Exception 13 ceases to be available if there is a material change to the terms of the scheme from those set out in the entity's prospectus, PDS or information memorandum (in the case of (a) above) or in the notice of meeting (in the case of (b) above).

6.2b.1	<p>*How many +securities are being issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?</p> <p><i>Answer this question if the response to Q6.1 is "No", the response to Q6.2 is "No" and the response to Q6.2b is "Yes".</i></p> <p><i>Please complete and separately send by email to your ASX listings adviser a work sheet in the form of Annexure B to Guidance Note 21 confirming the entity has the available capacity under listing rule 7.1 to issue that number of securities.</i></p>	N/A
6.2c	<p>*Are any of the +securities being issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?</p> <p><i>Answer this question if the response to Q6.1 is "No" and the response to Q6.2 is "No".</i></p>	N/A
6.2c.1	<p>*How many +securities are being issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A?</p> <p><i>Answer this question if the response to Q6.1 is "No", the response to Q6.2 is "No" and the response to Q6.2c is "Yes".</i></p> <p><i>Please complete and separately send by email to your ASX listings adviser a work sheet in the form of Annexure C to Guidance Note 21 confirming the entity has the available capacity under listing rule 7.1A to issue that number of securities.</i></p>	N/A

Introduced 01/12/19; amended 31/01/20

**APPROVED AT AGM held on 23 October 2019
(Resolution 4)**

PNX METALS LIMITED
ACN 127 446 271

**RULES OF THE PNX METALS LIMITED
EMPLOYEE PERFORMANCE RIGHTS PLAN**

TABLE OF CONTENTS

1.	DEFINITIONS AND INTERPRETATION	1
1.1	Definitions	1
1.2	Interpretation.....	2
2.	MANAGEMENT OF THE PLAN	3
3.	ENTITLEMENT TO PARTICIPATION	3
3.1	Eligible Persons.....	3
3.2	Invitations	3
3.3	Number of Performance Rights.....	3
3.4	Invitation.....	3
3.5	Discretion of Board.....	4
4.	APPLICATIONS FOR PERFORMANCE RIGHTS.....	4
5.	GRANT OF PERFORMANCE RIGHTS.....	4
6.	TERMS OF PERFORMANCE RIGHTS	4
6.1	Granted for no consideration	4
6.2	Quotation	4
6.3	Not transferable	5
6.4	No voting rights	5
6.5	No Dividend Rights	5
6.6	No Rights on Winding Up	5
6.7	Reorganisation of Capital	5
6.8	No Other Rights	5
7.	LAPSING OF PERFORMANCE RIGHTS.....	5
7.1	Performance Rights to lapse	5
7.2	Retirement, Permanent Disability, Retrenchment or Death.....	6
8.	VESTING OF PERFORMANCE RIGHTS	6
9.	CONNECTION WITH OTHER PLANS.....	7
10.	AMENDMENT AND TERMINATION OF PLAN.....	7
10.1	Amendment	7
10.2	Termination	8
11.	NOTICES.....	8
12.	RIGHTS OF ELIGIBLE PERSONS	8
13.	GENERAL	8
14.	GOVERNING LAW	9

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In these Rules, unless the contrary intention appears:

“**Associate**” has the meaning given in section 995.1 of the *Income Tax Assessment Act 1997* (Cth);

“**ASX**” means ASX Limited ACN 008 624 691 and includes any body corporate which may succeed to the powers, functions and duties of ASX Limited or the securities exchange operated by ASX Limited (as the context requires);

“**Board**” means the Directors acting as the board of directors of the Company;

“**Business Day**” means a day on which the ASX is open for trading in securities;

“**Company**” means PNX Metals Limited (ACN 127 446 271);

“**Corporations Act**” means *Corporation Act 2001* (Cth);

“**Director**” means a director of the Company from time to time;

“**Eligible Person**” means at any time a person who is an employee (whether full-time or part-time) of, or a contractor or employee of a contractor to, a Group Company or a Director employed in an executive capacity at that time;

“**Grant Date**” means, in relation to a Performance Right, the date from which the Performance Right is granted in accordance with clause 5;

“**Group**” means collectively the Company and each of the Company’s Subsidiaries;

“**Group Company**” means the Company or any of the Company’s Subsidiaries;

“**Invitation**” has the meaning given to it in clause 3.2;

“**Listing Rules**” means the Listing Rules of ASX and any other rules of ASX which are applicable while an entity is admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX;

“**Official List**” means the official list of entities that ASX has admitted to quotation and not removed;

“**Participant**” means a person who has been granted a Performance Right under the Plan;

“**Performance Condition**” means a condition which must be satisfied or circumstances which must exist before a Performance Right can vest, as specified in the Invitation for the Performance Right concerned;

“**Performance Right**” means a right to acquire one Share in the manner described in this Plan;

“**Permanent Disablement**” means, in relation to an Eligible Person, that the Eligible Person has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Eligible Person unlikely ever to engage in any occupation for which he is reasonably qualified by education, training or experience;

“**Plan**” means the PNX Metals Limited Employee Performance Rights Plan established in accordance with these Rules;

“**Redundancy**” means, in relation to an Eligible Person, a determination by the Board that the relevant Group Company’s need to employ a person for the particular kind of work carried out by that Eligible Person has ceased (but, for the avoidance of any doubt, does not include the dismissal of an Eligible Person for personal or disciplinary reasons or where the Eligible Person leaves the employ of any Group Company of his own accord);

“**Retirement**” means, in relation to an Eligible Person, retirement by that Eligible Person from any Group Company at age 60 or over or such earlier age as considered appropriate by the Board;

“**Rules**” means these rules, as amended from time to time;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means a holder of a Share;

“**Subsidiary**” has the meaning given in section 9 of the Corporations Act; and

“**Takeover Bid**” has the meaning given in section 9 of the Corporations Act.

1.2 Interpretation

In these Rules, unless the contrary intention appears:

- (1) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;
- (2) the singular includes the plural and vice versa;
- (3) a reference to a gender includes all genders;
- (4) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day;
- (5) an expression defined in, or given a meaning for the purposes of, the Corporations Act or the Listing Rules has the same meaning where used in these Rules; and
- (6) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or substitution for, and any subordinate legislation under, that legislation or legislative provision.

2. MANAGEMENT OF THE PLAN

- (1) The Board may appoint for the proper administration and management of the Plan, such persons as it considers desirable and may delegate such authorities as may be necessary or desirable for the administration and management of the Plan.
- (2) Subject to the provisions of these Rules, the Board may administer the Plan and make such regulations and establish such procedures for the administration and management of the Plan as the Board considers appropriate.
- (3) Every decision or determination or exercise of discretion by the Board may be made by the Board in its absolute discretion and every decision of the Board as to the interpretation, effect or application of these Rules is final, conclusive and binding.

3. ENTITLEMENT TO PARTICIPATION

3.1 Eligible Persons

All Eligible Persons with at least 12 months continuous employment with a Group Company or who have been a contractor to a Group Company for at least 12 continuous months or an employee of such a contractor for at least 12 continuous months (or in any case such lesser period as the Board may, in its absolute discretion, determine) are eligible to participate in the Plan.

3.2 Invitations

The Board may from time to time, in its absolute and uncontrolled discretion, issue a written invitation to an Eligible Person inviting him or her to apply for the grant of a certain number of Performance Rights on the terms and conditions set out in the Plan and on such additional terms and Performance Conditions as the Board determines (“**Invitation**”).

3.3 Number of Performance Rights

The number of Performance Rights specified in each Invitation will be determined by the Board in its absolute discretion.

3.4 Invitation

Each Invitation must include:

- (1) the number of Performance Rights which may be granted;
- (2) the date and time by which the application for Performance Rights must be received by the Company;
- (3) the date on which, subject to these Rules, the Performance Rights will vest in accordance with clause 8;
- (4) all Performance Conditions attaching to the Performance Rights;
- (5) a statement that the Performance Rights will be granted in accordance with the terms and conditions set out in the Plan;

- (6) a copy of the Rules;
- (7) an explanation as to how the Eligible Person can obtain the current market price and offer price of Shares; and
- (8) any other terms attaching to the Performance Rights or Shares that the Board, in its absolute discretion, considers appropriate

and must have attached to it an application form so that the Eligible Person can apply for Performance Rights in accordance with clause 4.

3.5 Discretion of Board

The Board may exercise its powers in relation to the participation of any Eligible Person on any number of occasions.

4. APPLICATIONS FOR PERFORMANCE RIGHTS

- (1) Upon receipt of an Invitation, an Eligible Person may, within the period specified in the Invitation, apply for any number of Performance Rights up to the maximum number specified in the Invitation by sending to the person nominated by the Company an application in the form attached to the Invitation (“**Application**”) duly completed and signed.
- (2) Each Application must include an agreement by the Eligible Person to be bound by:
 - (a) these Rules; and
 - (b) the constitution of the Company when their Performance Rights vest and the relevant Shares are issued.

5. GRANT OF PERFORMANCE RIGHTS

- (1) On acceptance of a duly completed and signed Application the Company may grant Performance Rights to the Eligible Person, with effect from such date as the Board determines, on the terms set out in the relevant Invitation.
- (2) The Board retains the absolute discretion not to accept an Application by an Eligible Person if, for any reason, that Application is not acceptable to the Board.

6. TERMS OF PERFORMANCE RIGHTS

6.1 Granted for no consideration

Performance Rights granted under the Plan will be granted for no consideration.

6.2 Quotation

The Company will not apply for official quotation by ASX of any Performance Rights.

6.3 Not transferable

- (1) Subject to clause 6.3(2) Performance Rights granted under the Plan are not transferable and will lapse immediately if transferred.
- (2) Clause 6.3(1) will not apply to the transfer of Performance Rights to a legal personal representative of a Participant following the Participant's death.

6.4 No voting rights

A Performance Right does not confer on the Participant a right to vote on any resolution proposed at a general meeting of Shareholders.

6.5 No Dividend Rights

The holder of a Performance Right is not entitled to any dividends.

6.6 No Rights on Winding Up

A Performance Right does not confer on the Participant any right to participate in the surplus profits or assets of the Company upon winding up of the Company.

6.7 Reorganisation of Capital

If at any time the issued capital of the Company is reorganised, a Performance Right may be treated in accordance with the Listing Rules at the time of reorganisation.

6.8 No Other Rights

A Performance Right gives the holder no rights other than those expressly provided by these Rules and those provided at law where such rights at law cannot be excluded by these Rules.

7. LAPSING OF PERFORMANCE RIGHTS

7.1 Performance Rights to lapse

Unless the Board in its absolute discretion determines otherwise, an unvested Performance Right shall automatically lapse upon the earlier of:

- (1) a determination by the Board that the Participant has acted fraudulently, dishonestly or is in breach of their obligations to a Group Company;
- (2) the Participant ceasing to be an Eligible Person for any reason other than Retirement, Permanent Disability, Redundancy or death;
- (3) a resolution being passed to wind up the Company;
- (4) a Takeover Bid occurring, unless the Board has in its absolute discretion determined that the Performance Conditions attaching to the Performance Rights have been satisfied on a pro rata basis over the period of time from the Grant Date to the date of the Takeover Bid and therefore a proportion (as determined by the Board) of the Performance Rights will vest;

- (5) the Performance Conditions attaching to the Performance Right not being met within the prescribed period; and
- (6) any date set out in the relevant Invitation by which the Performance Right will automatically lapse.

7.2 Retirement, Permanent Disability, Retrenchment or Death

If a Participant ceases to be an Eligible Person by reason of Retirement, Permanent Disability, Retrenchment or death, the Board may determine that some or all of a Participant's Performance Rights will vest even if a Performance Condition has not been satisfied. If no such determination is made by the Board within 3 months after the Participant ceases to be an Eligible Person, all Performance Rights held by that Participant will automatically lapse.

8. VESTING OF PERFORMANCE RIGHTS

- (1) Subject to the Rules, each Performance Right granted to a Participant will vest on the date specified in the relevant Invitation.
- (2) The vesting of a Performance Right under clause 8(1) is conditional on the satisfaction of the Performance Conditions attaching to the Performance Right.
- (3) Notwithstanding clause 8(2) and subject to the Listing Rules:
 - (a) the vesting of a Participant's Performance Rights may be subject to such further conditions as determined by the Board; and
 - (b) the Board may determine that some or all of a Participant's Performance Rights will vest even if a Performance Condition has not been satisfied.
- (4) Each Performance Right entitles the Participant to one Share upon vesting.
- (5) Subject to any restriction requirements set out in the relevant Invitation and Application, the Shares into which Performance Rights convert will rank equally in all respects with existing Shares and the Company will apply to ASX for their quotation within the time prescribed by the Listing Rules.
- (6) Subject to any necessary Shareholder approval being obtained under the Listing Rules:
 - (a) upon vesting of Performance Rights, the Participant becomes entitled to be issued the relevant Shares not later than 21 days after the date of vesting;
 - (b) within 7 days after Performance Rights of a Participant have vested, the Company must advise the Participant in writing:
 - (i) that the Participant's Performance Rights under the Plan have vested;
 - (ii) that the relevant Shares will be issued to the Participant personally unless the Participant, within 7 days of the date of the Company's notice under this clause:

- (A) advises the Board in writing that the Participant wishes the relevant Shares to be issued to an Associate of the Participant, and provides the full name of that Associate; and
 - (B) provides the Board with a signed application by the Associate for the relevant Shares, which must include an agreement by the Associate to be bound by these Rules and the constitution of the Company in respect of those Shares;
 - (iii) the date by which the relevant Shares will be issued; and
 - (iv) details of any restrictions on disposing of or otherwise dealing with the relevant Shares; and
 - (c) within 21 days after the date of vesting the Company must issue to the Participant or, subject to clause 8(6)(b), his or her Associate (as the case may be) one Share in respect of each of the Participant's Performance Rights that have vested.
- (7) Where the Listing Rules require Shareholder approval to be obtained before the issue of Shares to a Participant whose Performance Rights have vested, the Company must:
- (a) so advise the Participant within 7 days after a Performance Right under the Plan has vested; and
 - (b) comply with the Listing Rule requirements in relation to the issue of those Shares.

9. CONNECTION WITH OTHER PLANS

- (1) The Company is not restricted to using this Plan as the only method of providing incentive rewards to Eligible Persons. The Board may approve other incentive schemes.
- (2) Participation in the Plan does not affect, and is not affected by, participation in any other incentive or other plan operated by the Group unless the terms of that other plan provide otherwise.

10. AMENDMENT AND TERMINATION OF PLAN

10.1 Amendment

- (1) Subject to clause 10.1(2) and the Listing Rules, the Board may alter, delete or add to these Rules at any time.
- (2) An amendment to these Rules which in the opinion of the Board materially affects the accrued rights or entitlements of a Participant is not to be made without the written consent of the Participant unless the amendment is made primarily to:
 - (a) correct a manifest error;
 - (b) enable a Group Company to comply with applicable laws; or

- (c) take into consideration possible adverse tax implications in respect of the Plan.
- (3) The Board must give written notice of any amendment to the Rules to each affected Participant as soon as reasonably practicable after the amendment is made.
- (4) The Board may determine that any amendment to the Rules be given retrospective effect.

10.2 Termination

The Board may terminate the Plan, or suspend its operation for any period it considers desirable, at any time that it considers appropriate.

11. NOTICES

- (1) Notices may be given by the Company to any Eligible Person either personally or by sending by post to the address as noted in the Company's records or to the address (if any) within the Commonwealth of Australia supplied by the Eligible Person to the Company for the giving of notices.
- (2) Notices of any overseas Eligible Person shall be forwarded and posted by air. Where a notice is sent by post the notice shall be deemed to be served on the day after posting. The signature of any notice may be given by any Director or secretary of the Company.
- (3) A Withdrawal Notice shall not be deemed to be served on the Company until actually received.

12. RIGHTS OF ELIGIBLE PERSONS

Nothing in these Rules:

- (1) confers on any Eligible Person the right to receive any Performance Rights until an Invitation is issued under clause 3.1;
- (2) confers on any Eligible Person the right to continue as an employee of or contractor to the Group;
- (3) forms part of any contract of employment or engagement between any Group Company and any of their respective employees or contractors;
- (4) affects any rights which any Group Company may have to terminate the employment or engagement of any Eligible Person; or
- (5) may be used to increase damages in any action brought against any Group Company in respect of the termination of the employment or engagement of any Eligible Person by any Group Company.

13. GENERAL

- (1) The entitlement of Eligible Persons and Participants under the Plan and these Rules are subject to the Company's constitution, the Listing Rules and the Corporations Act.

- (2) Notwithstanding any provisions of these Rules no Shares may be acquired, allocated, assigned, or dealt with if to do so would contravene the Corporations Act, the Listing Rules or any other applicable laws.

14. GOVERNING LAW

This Plan, and the rights of an Eligible Person under the terms and conditions of this Plan are governed by the laws of the state of South Australia.